



January 31, 2014

To: Executive Board

Subject: **Exercise of Option on Agreement with Veolia Transportation**

Recommendation

Authorize the Executive Director to negotiate final terms and conditions and exercise an available five-year option on the Management Services Agreement between Foothill Transit and Veolia Transportation for Veolia's provision of management services for Foothill Transit's Transit *Stores* and Facilities services.

Analysis

Foothill Transit's eight-year base contract with Veolia Transportation will expire on June 30, 2014. The Executive Board has, at its sole discretion, the option of extending the term of this Agreement for an additional five-year period. Should Foothill Transit determine that exercising the option years is not in the best interest of the organization, a Request for Proposals will be prepared for management services as redefined in the Fourth Amendment which was authorized by the Foothill Transit Executive Board on May 24, 2013.

Veolia Transportation and its predecessors provided general management services to Foothill Transit from July 2002 through June 30, 2013, when the Executive Board transitioned to in-house management. Through negotiations with the Executive Board, Veolia retained Transit *Store* services (Transit *Store* Operations Manager and staff) and Facilities services (Facilities Supervisor and staff).

Since the transition, Veolia has continued to provide high quality services to Foothill Transit customers. They have made improvements to the call center response time which has resulted in some of the lowest average hold time performances the organization has ever experienced. In addition, the Facilities team continues to provide highly responsive service.

Veolia's proposed rate for its services is \$156,704 per month for FY 2015. This equates to \$1,880,450 for FY 2015, which is lower than the FY 2014 rate of \$2,012,148. Should the Executive Board authorize exercising the option, Veolia Transportation will provide two additional part-time customer service representatives and will assume additional costs associated with management of the Transit Stores and Facilities Technicians as indicated in the letter of request from Ken Westbrook, Veolia's Chief Operating Officer (**Attachment A**).



Budget Impact

The annual value of the Veolia contract is \$1,880,450 with an annual increase of 3 percent each year over the extended term of the contract. Funds for these services will be included in the FY 2015 and future budgets.

Sincerely,

A blue ink signature of LaShawn King Gillespie, written in a cursive style.

LaShawn King Gillespie
Director of Customer Service and Operations

A blue ink signature of Doran J. Barnes, written in a cursive style.

Doran J. Barnes
Executive Director



January 23, 2014

Mr. Doran Barnes
Executive Director
Foothill Transit
100 S. Vincent Ave., Suite 200
West Covina, CA 91790

Re: Five year extension of the amended Management Services Agreement

Dear Mr. Barnes:

The management services agreement between Foothill Transit and Veolia Transportation includes the opportunity for an extension of the management services agreement dated May 7, 2008 as amended by the fourth amendment dated June 14, 2013. The purpose of this letter is to seek your consideration of this extension for five (5) years beginning July 1, 2014 and ending June 30, 2019 with the new scope of services as stated in the fourth amendment dated June 14, 2013.

Veolia Transportation will provide Management Services as we currently do for the Facilities Operations and for the Foothill Transit Stores as contained in the organization chart shown in Attachment 1 of the fourth amendment dated June 14, 2013. In addition, Veolia Transportation will provide two additional part-time customer service representative positions to provide additional coverage of the transit stores in Claremont and El Monte. Veolia Transportation will also cover additional costs of the transit stores and facilities technicians as highlighted in the fiscal year 2013-2014 Foothill Transit Business Plan provided by LaShawn King Gillespie, Director of Customer Service and Operations.

We propose an annual fee for the provision of these services to Foothill Transit of \$1,880,450 with annual increases of 3% per year over the extended term of the contract.

Thank you for your consideration and for the opportunity to serve Foothill Transit. If you have any questions regarding this request, please contact me at (630) 382-1120.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Westbrook", with a long, sweeping horizontal line extending to the right.

Ken Westbrook
Chief Operating Officer

cc: D. Pieper
B. Neill
K. Ooms